

REMARKS

The fact that December 26, 2004, fell on a Sunday ensures that this paper is timely filed as of Monday, December 27, 2004.

In the Office Action dated August 26, 2004, pending Claims 1-49 were rejected and the rejection made final. In response Applicants have filed herewith a Request for Continued Examination.

Applicants and the undersigned are most grateful for the time and effort accorded the instant application by the Examiner. On November 19, 2004, Applicants' counsel and all of the named inventors conducted a telephone interview with the Examiner during which the claims of the present application and the applied art were discussed. No agreement, however, was reached with respect to the claims. The Examiner, however, did indicate he would consider whether another interview would be appropriate before issuance of the next Office Action.

Claims 1-4, 6-9, 12-29 and 31-49 were pending in the instant application at the time of the outstanding Office Action. Claims 1, 24, 25, 27, and 46-49 are independent claims; the remaining claims are dependent claims. Independent Claims 1, 24, 27, and 46-48 have been rewritten to more clearly define the present invention. Dependent Claim 34 has been amended to change the dependency from a previously cancelled claim. These amendments are not in acquiescence of the Examiner's position on the allowability of the claims, but merely to expedite prosecution. Applicants intend no change in scope of the claims by the changes made by these amendment.

The Section 112 Rejections

Claims 4 and 29 stand rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. It is asserted one of ordinary skill in the art of auctions would not know what constitutes a "a sufficient change in parameters relating to a user". This rejection is respectfully traversed. These claims relate to triggering periodic execution of choosing an order computation method. The phrase objected to by the Examiner indicates the choice of an order computation method is triggered when parameters relating to a user sufficiently change. This is discussed in the specification as follows, "[t]he order computation and placement cycle is triggered at step 410 ... in response to a sufficiently significant update to the user parameters at step 404 ..." (Page 20, lines 16-18) While each user may consider various updates to be more significant than others, the present invention permits the choice of an order computation method to be triggered when appropriate for a given user. Thus, this is appropriate language in a claim. In fact, such language appears in recently issued patents. See Claim 1, U.S. Patent No. 6,822,982, issued on November 23, 2004 ("that provides a sufficient change"). Accordingly, it is respectfully submitted that this rejection should be withdrawn.

Claims 27-29 and 31-45 also stand rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. In particular, the Office is objecting to the recitation in the claims that the apparatus comprises "arrangements" for performing various functions. This rejection is not understood. As discussed in the

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specification, the arrangements "may be implemented on at least one general-purpose computer running suitable software programs. These may also be implemented on at least one Integrated Circuit or part of at least one Integrated Circuit. Thus, it is to be understood that the invention may be implemented in hardware, software, or a combination of both." (Page 37, lines 8-12) Moreover, a search on the PTO web site of issued patents containing the phrase "an arrangement for" in the claims during the week in which this Amendment is being submitted returns 93,634 issued patents. Over 900 of these patents are assigned to the assignee of the present application. Accordingly, it is respectfully submitted that this rejection should be withdrawn. In the unlikely event the rejection is not withdrawn, clarification is requested.

Claims 24 has been rejected as depending from cancelled Claim 30. The dependency of this claim has now been changed to depend from Claim 24, consistent with the changes to dependencies made in the prior Amendment. The failure to change the dependency of this claim in the prior Amendment was an oversight.

The Section 103 Rejections

Claims 1-4, 6-7, 9, 12-17, 21-23, 25-29, 31-40, 43-45, 47 and 49 stand rejected under 35 U.S.C. 103(a) over Shoham in view of Montgomery. Claims 18-20, 24, 41-42, 46 and 48 stand rejected under 35 U.S.C. 103(a) over Shoham in view of Montgomery and in further view of Price Formation (by Gjerstaed and Dickhaut). Claims 8 and 33 stand rejected under 35 U.S.C. 103(a) over Shoham in view of Montgomery in further view of Harrington et al. The Office admits that neither of these references describe the present invention, but claims that the combination of the teachings of these references

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would make the present obvious to a person of ordinary skill in the art. This is not supported by the references. Reconsideration and withdrawal of the present rejections are therefore respectfully requested.

The present invention broadly contemplates participating in electronic auctions without requiring human supervision or intervention. (Page 1, lines 3-4) By and large it has been assumed that the participants in electronic auctions are human, and thus auction sites are almost exclusively oriented towards human participants, and do not cater to the needs of software agents that might wish to participate in the auction. (Page 1, line 16 - Page 2, line 1) Therefore, in order to relieve humans from the need for constant vigilance and participation in electronic auctions, and to improve on the gains from trade that can be attained by human traders, a need has been recognized in connection with automating the process of bidding in electronic auctions, and to develop bidding strategies that adapt to market conditions, and to the observed history of orders and trades. A need has also been recognized in connection with providing a broadly applicable and modular method for composing an automated bidder in such a way as to permit it to be easily tuned by its human owner. (Page 6, lines 1-8)

As presently best understood, Shoham appears to be directed to designing and deploying an interactive, real-time, universal on-line trading market system serving traders communicating via the Internet. (Col. 4, lines 38-40) Thus, Shoham relates to the creation of an on-line marketplace in which human traders are market participants. The portions of Shoham cited in the Office Action relate to manner in which the auction is

conducted, in contrast with the present invention. See Col. 8, lines 50-58; "after five minutes of inactivity close the auction".

As presently best understood, Montgomery appears to be directed to automating many of the processes of the buyer-side of a dynamic pricing or auction pricing transaction executed on the Internet. With respect to automating bidding, Montgomery appears to teach the use of a bid proxy in an ascending English style auction. See Col. 9, lines 13-16 ("computing, using the bid proxy, a next valid price by adding a minimum valid price increment to a current auction price to compute an offer price, if the current auction price is below a maximum price"). There simply is no teaching or suggestion of automatically developing bidding strategies as in the present invention.

The instantly claimed invention specifically requires obtaining information about an ongoing auction, including information about the type of auction and auction rules relating to the auction; obtaining information relating to a user, including user specified parameters which may be used in an order computation method or in selection of an order computation method; choosing an order computation method from among a number of potential order computation methods while taking into account the auction information and user-specified parameters; computing an order via-executing the chosen order computation method while taking into account the auction information and user-specified parameters; and placing the computed order. (Claim 1) Similar language appears in the other independent claims. It is respectfully submitted that such features are neither taught nor suggested by the applied references.

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Any combination of Shoham, Montgomery, Price Formation, and Harrington et al. fails to teach or suggest the instantly claimed invention. As clearly defined by the claims, the instantly claimed invention includes, inter alia, obtaining user specified parameters which may be used in selection of an order computation method and choosing an order computation method from among a number of potential order computation methods while taking into account the user specified parameters. None of the applied references teach or suggest using user specified parameters to chose an order computation method.

Moreover, combining the teachings of the applied references would not result in the instantly claimed invention. If these teachings were combined, at best, a simple proxy bidder would be used in a virtual electronic ascending English style auction. Thus, following the teachings of the applied references would not result in the claimed invention which in user specified parameters are used to chose an order computation method in a wide variety of auction types.

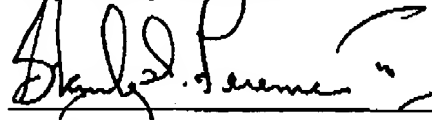
In view of the foregoing, it is respectfully submitted that Claims 1, 24, 25, 27, and 46-49 fully distinguish over the applied art and are thus allowable. By virtue of dependence from Claims 1, 24, 25, 27, and 46-49, it is thus also submitted that Claims 2-4, 6-9, 12-23, 26, 28-29, 31-45 are also allowable at this juncture.

The "prior art made of record" has been reviewed. Applicants acknowledge that such prior art was not deemed by the Office to be sufficiently relevant to have been applied against the claims of the instant application. To the extent that the Office may apply such prior art against the claims in the future, Applicants will be fully prepared to respond thereto.

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In summary, it is respectfully submitted that the instant application, including Claims 1-4, 6-9, 12-29, and 31-49, is presently in condition for allowance. Notice to the effect is hereby earnestly solicited. In the unlikely event the Office does not agree the application is in condition for allowance, Applicants respectfully request an interview with the Examiner prior to the next Office Action in this case.

Respectfully submitted,



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